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Ms. Marlene Dortch, Secretary Office of the Secretary Federal Communications Commission 9300 Fast Hampton Drive Capitol Heights, MD 20743

Dear Ms. Dortch:

May 1,2007

It is with great pleasure that we submit this grant proposal to the Federal Communications Commission (FCC) for the Eastern North Carolina FCC Rural Health Care Pilot Program. University Health Systems of Eastern Carolina (UHS) is committed to ensuring that all of the residents of eastern North Carolina have access to the high quality healthcare that is not restricted by space or time. UHS has consistently partnered with other healthcare providers and community leaders to plan and implement strategies aimed at increasing the availability of resources in the communities we serve. Improvement in communication among care providers and universal access to best-practice protocols facilitated by the use of telemedicine and electronic health records (EHR) will positively impact patient safety, clinical effectiveness and efficiency in the provision of healthcare services.

This proposal supports the FCC's goal of increasing access to telemedicine, EHRs and other technologies requiring the availability of a dedicated, secure and reliable broadband network. The completion of this project will provide the framework necessary for more providers in rural eastern North Carolina to begin to receive pertinent patient information related to services received at alternate healthcare agencies participating in this broadband network initiative. Thus allowing them to provide a higher quality of care that is coordinated, efficient and more cost effective. Making state of the art communication technologies available in the offices of rural healthcare providers is an important step in the process of creating a system of care that is enhanced by the timely availability of information and services. In addition to having access, the providers must also be ready to embrace the new technology, and use it to care for their patients. The rural health clinics and hospitals involved in this initiative have demonstrated their readiness to both embrace the possibilities of this new technology, and work together to secure funding to purchase the additional equipment necessary to fully utilize the broadband network to enhance the quality of care our patients and neighbors receive.

I am excited about the possibilities this funding opportunity holds for the residents of eastern North Carolina and the future of healthcare in this region. I look forward to working with you to ensure access to effective communication technologies in rural eastern North Carolina. If you have any questions regarding this proposal you may direct them to Andy Anderson, Administrator of IT Operations (252-847-4977).

Respectfully,

Dane McRan

Dave McRae Chief Executive Officer No. of Copies rec'd Ot, List ABCDE

Enclosures

2100 Stantonsburg Road



Eastern North Carolina Federal Communication Commission (FCC) Rural Health Care Pilot Program

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Eastern North Carolina Federal Communication Commission (FCC) Rural Health Care Pilot Program

PURPOSE

University Health Systems of Eastern North Carolina, Inc., in collaboration with the North Carolina Office of Rural Health and Community Care, the Brody School of Medicine at East Carolina University and a select group of rural health centers, has prepared a plan to increase broadband network access in rural eastern North Carolina pursuant to Order FCC 06-144. This initiative is being undertaken to provide the technological framework to facilitate future deployment of telemedicine, electronic health records and other technologies requiring access to a secure broadband network in the target area. An additional product of this initiative will be to develop a model for deploying such technology in rural areas.

ORGANIZATION OVERVIEW

Description of Lead Agency

University Health Systems of Eastern Carolina, Inc. (UHS) located in Greenville, North Carolina will serve as the fiduciary for this project and provide the necessary oversight to ensure that the project goals are achieved. UHS is a regional health system serving 1.3 million people in 29 counties throughout eastern North Carolina. The system consists of Pitt County Memorial Hospital (a 750-bed academic medical center), six community hospitals, an ambulatory surgery center, wellness and rehabilitation facilities, home health agencies and other independently operated health services. UHS is affiliated with the Brody School of Medicine (BSOM) at East Carolina University. The mission of UHS is "to enhance the quality of life for the people and communities we serve, touch and support." UHS seeks to be distinguished in terms of its regional and national leadership in the integration of high quality, cost effective healthcare, focus on patients and customer service, commitment to appropriate access to care in the communities and populations it serves, and to support East Carolina University's mission for education and clinical research.

As a major resource for health services and education, UHS strives to support local medical communities and work with providers throughout the region. For over 20 years UHS has been a leader in the use of technology. UHS has held the distinction of being recognized as one of the nation's 100 Most WiredHealthcare Organizations five times in the last six years. The centerpiece of the UHS HIT infrastructure is the state-of-the-art data center, located on the Pitt County Memorial Hospital (PCMH) campus. The data center houses the hardware and software that are required to process information for the entire enterprise along With a support staff of over 150 information technology (IT) professionals. The PCMH campus (i.e. hospital, BSOM, wellness and rehabilitation center, ambulatory surgery center, home health, etc.) and the UHS regional hospitals (Chowan, Heritage, Roanoke-Chowan, Bertie Memorial and the Outer Banks Hospital) are connected via high-speed fiber optic network. Duplin General Hospital, the seventh hospital to be added to UHS, will be connected to the network during this pilot program. The Data Center network design incorporates additional infrastructure located at the BSOM to provide UHS regional hospitals and affiliates with comprehensive health information technology support for telemedicine, teleradiology and telehealth services.

The UHS Information Systems (IS) Division will lead this effort, and work with community, rural health center and hospital partners to ensure successful implementation by the established timelines. Due to the lack of Information Technology (IT) resources in many of the rural areas, UHS will provide in-house resources and/or secure contract resources to provide the technical expertise needed to both plan and implement the necessary changes at the majority of the partner locations. In other locations, UHS will work provide technical expertise and support for the partners' internal IT resources. UHS will also serve administratively, ensuring the needs of the partner organizations are met, the grant funding is used to its fullest potential, and an assessment of the program is completed post implementation.

Financial Accountability

In addition to having extensive experience deploying new IT in rural areas, managing the IT needs of its regional hospitals, and serving as a regional tertiary care referral center for eastern North Carolina, UHS also has the financial management expertise to provide the necessary oversight to ensure that funds are expended and documented properly. The Chief Financial Officer and staff in the Financial Services Department have more than 20 years of experience in managing private foundation, state and federal grant funds, both sub-grant and direct, for projects that often involve multiple partner agencies. They currently contract with Access East, a local 501c3 organization that houses the Community Care Plan of Eastern North Carolina, to provide financial oversight of their nearly \$4 million annual grant fund budget. Their financial acumen and years of experience managing grant funds make them the most logical fiduciary for the Eastern North Carolina FCC Rural Health Care Pilot.

SERVICE AREA DESCRIPTION AND STATEMENT OF NEED

UHS hospitals provide care to more than 1.3 million people living in a 29 county area located in eastern North Carolina (NC), which **is** largely rural and poor (estimated 15.8% living in poverty)'. Eastem NC is a vast rural area whose economy has traditionally been supported by agriculture, which in recent years has created economic limitations for a large portion of the population. In addition, a large number of the residents of UHS's service area are uninsured (estimated 21%)²/underinsured (estimated 22% Medicaid eligible)³ and are burdened with economic hardships which is compounded by limited access to private or public transportation. Ninety-three percent of the counties in UHS's service area have been designated as medically underserved areas by the federal government. Many of the programs sponsored by UHS in partnership with local and regional leaders have been established in an effort to increase access to care and reduce health disparities in the community they serve.

The overall population of the region is approximately 62 % Caucasian, 33 % African-American, the remaining 5% is comprised of Hispanic, American Indian, Asian, and other. The region has more people and households living at or below the poverty level than the state or national

¹ US Census 2000 Demographic Profiles. Available at: http://censtats.census.gov/cgi-bin/pct/pctProfile.pl. Accessed: April 25,2007.

² County Estimates of the Number of Uninsured in North Carolina. 2005 Update [pdf]. Available at: https://littu:ll\Y\Yw.sheuscenter.uiic.edu. Accessed: April 28,2007.

³ Medicaid in North Carolina Annual Report 2004: Medicaid Tables for *SFY* 2004 Annual Report. Available at: http://www.ncdhhs.gov/dma/annreport.htm. Accessed April 28,2007.

average. In 2000, average per capita income for this project's target counties was \$15,638, which is much less than for the state at \$20,307. It was also noted in the 2000 census that approximately16% of the residents in the target area are living in poverty compared to 12% for the state of North Carolina!

Eastern North Carolina has a higher incidence of chronic disease than state and national averages; subsequently death rates are substantially greater in eastern NC than the rest of the state for virtually all major causes of death. Heart disease mortality is 15% greater; stroke mortality is 14% greater; HIV related deaths are 27% greater; and diabetes mortality is 38% greater. Cancer mortality is 10% greater for colon cancer, 11% greater for lung cancer, 19% greater for prostrate cancer, 37% greater for breast cancer, and 84% greater for cancer of the cervix. *Measuring the region by years of life lost before age 75, ifeastern North Carolina were a state, we would rank 47*th, ranking only above Tennessee, Alabama, Louisiana, Mississippi, and the District of Columbia. ⁵

The target area for this initiative consists of Beaufort, Bertie, Duplin, Gates, Halifax, Hyde, Nash, Onslow, Pitt, Tyrrell, Wayne and Wilson Counties. Their combined population in the 2000 census was 750,371, with an estimated 95,406 people living in the same census tract as the participating provider agencies. The healthcare providers in these counties face the same challenges as many of their colleagues in neighboring counties in that residents (their patients) travel to neighboring counties to receive healthcare services. Thus the providers in the target area take care of patients who live in their county as well as others who travel to receive services that are not available in their home community, creating a healthcare network without the communication connectivity needed to help it function efficiently and seamlessly. This creates an additional hardship for the patient in that they must travel long distances, and bear the expense of having tests repeated at alternate healthcare sites because test results are not available to the provider in a timely manner. Improving communication and availability of healthcare services in rural areas highlights the importance and long-term impact of this initiative for patients and the healthcare providers caring for them.

PROJECT OVERVIEW

Statement of Project

As a regional health system, University Health Systems (UHS) serves as a major resource for health services and education, and strives to support local medical communities and work with providers throughout the region to deliver quality healthcare. UHS has partnered with the North Carolina Office of Rural Health and Community Care (NC ORHCC), Access East, Inc., the BSOM, healthcare clinics and hospitals throughout eastern North Carolina to develop a plan for participating in the FCC Rural Health Care Pilot Program. These partner institutions recognize

⁴ US Census 2000 Demographic Profiles. . Available at: http://censtats.census.gov/cgi-bin/pct/pctProfile.pl. Accessed April 25,2007.

⁵ Mortality Trends and Disparities in astern North Carolina – Total Deaths, Premature Mortality and Deaths for Ten Leading Causes: 1979 – 2004. Center for Health Services Research and Development; East Carolina University; Health Indicator Series – Report #2.203; December 2006. Available at: http://www.chsrd.med.ecu.edu/RegionalHealthDisparities/ENC/ENC4 land 29.cfm. Accessed: April 25,2007.

the potential benefit of this initiative in serving the people of this region. This program provides a tremendous opportunity to add to the foundation established by the Eastern North Carolina Broadband Initiative, by building a community of healthcare providers connected by a single network.

UHS has proven leadership and commitment by actively participating in initiatives that support healthcare providers throughout the region, bringing better healthcare to the community **as** a whole. An example of UHS's commitment was its collaboration with the Albemarle Pamlico Economic Development Corporation (APEC), Golden Leaf Foundation, Sprint, e-NC Authority and MCNC North Carolina Research and Education Network to improve broadband access in the rural areas east of Interstate 95. UHS contributed \$1 million to this initiative, which provided funding for:

- * A "self-healing" fiber ring within the region, providing additional network security,
- * protection, bandwidth, and redundancy over and above the existing infrastructure A Gigabit Ethernet network, providing the foundation for a K-20 E-Learning Project, expanding the reach of the Telemedicine Center at Brody School of Medicine, East Carolina University, and enabling real-time transmission of CT scans from rural areas to larger facilities when specialty consultations are needed
- * Expanded DSL broadband access in rural areas, making it available to 31,000 additional homes

UHS continues its support to this initiative by paying monthly fees and maintenances expenses in excess of \$15,000. This again speaks to UHS's commitment to ensuring access to high quality healthcare for the residents of eastern North Carolina. The next step in the process is to increase access to the broadband network by connecting additional provider sites to the fiber ring, thereby improving communication between the tertiary, secondary and primary care providers in rural eastern North Carolina. Further supporting small community health providers who otherwise would not have access to the capital funds required for IT infrastructure enhancements or the resources to accomplish the goals of this project.

Project Work Plan

UHS has collaborated with the North Carolina Office of Rural Health and Community Care (NC ORHCC), Access East, Inc., the BSOM and several hospitals throughout eastern North Carolina regarding the development of a plan for participating in the FCC Rural Health Care Pilot Program. Each partner understands and embraces the potential benefit of this initiative for people living in this region. It will provide **an** opportunity to add to the foundation established by the Eastern North Carolina Broadband Initiative, by connecting rural provider sites and hospitals to the fiber ring, many of which would not be able to cover the expense of doing so independently nor have the experience of coordinating and managing such connectivity. UHS along with a representative group of primary and tertiary healthcare providers located in eastern North Carolina will work together to connect each participating facility to the fiber ring established by the Broadband Initiative, develop protocols to share information via the network and to identify additional funding sources to increase access to telemedicine and electronic health records. The goal of this initiative is to improve communication among healthcare providers in eastern North Carolina through increased access and use of a broadband network,

thus improving patient care. Strategies include identifying partner agencies, system assessment and network coordination, system deployment and sustainability planning. Major objectives are:

- * Activity 1: Partner Identification Identify partner healthcare organizations with the greatest need and desire to partner to create a network that enables resource leveraging (specifically utilization of best practice strategies), and facilitates information sharing, knowledge and expertise, while reducing the cost of providing healthcare. The primary objective of this activity is to identify no less than a combination of 12 large and small health care providers with the greatest potential for utilizing and leveraging a broadband network connection that links them to other healthcare providers in the area. In addition, the participating providers will demonstrate readiness and commitment to participating in the pilot program as well as the development of strategies to ensure long-term sustainability and the acquisition of additional technology to fully utilize the broadband network.
- * Activity 2: System Assessment and Network Coordination Assess the current availability of information technology at each provider site and the related cost. This process will involve the completion of a site-specific needs assessment for each of the participating healthcare provider agencies and an assessment of the communication resources available in their area as its primary objective. Once the needs assessment is complete, the area communication vendor will be contacted to determine the products available in the area and determine the cost of connecting each agency to the broadband network. This information will provide the framework for beginning the development of a plan to deploy the system.
- Activity 3: System Deployment and Sustainability Planning Connect the participating provider agencies to the broadband network or "fiber ring" established by the Eastern Carolina Broadband Initiative. During this phase of the process three objectives will be accomplished. The first step will be to develop and nurture ideas from all partner healthcare organizations, enabling them to take full advantage of a dedicated broadband network that is more secure, reliable and robust than the narrowband or public Internet broadband services available to them today. The second step will be to work with broadband service providers to identify the most robust and secure broadband technologies while stretching their networks geographically and securing pricing that will ensure sustained use. The third step will be to migrate partner healthcare organizations from their current shared public Internet broadband connections to a dedicated broadband connection, thus building a secure, reliable and robust network that links them to other healthcare provides in their area, many of whom provide varying services to the same patients. This will involve developing strategies to strengthen communication between healthcare providers by establishing a framework to begin transferring pertinent patient information between agencies to facilitate the further development of an efficient and seamless care delivery system in eastern North Carolina.

The completion of each of these activities and the associated objectives will enable UHS and the partner agencies to develop a successful pilot program which can be replicated at other provider sites in rural Eastern North Carolina and possibly the rest of the state. A detailed project management matrix and work plan have been prepared in an effort to provide a comprehensive

overview of the work to be completed and the expected outcomes or measures that will be tracked (See Appendix **A** Project Management Matrix and B: Project Work Plan). The work will be facilitated by the staff in the UHS Information Systems Department in collaboration with the IT staff at the partner agencies and local vendors specializing in deploying broadband technology in rural areas.

Budget and Financial Resources

During the initial 12-month grant period, the expense associated with connecting the participating providers to the existing fiber ring and maintaining their service will cost approximately \$753,333 (See Appendix C: 12 Month Budget). Most of this cost is related to one-time expenses associated with deployment. Once the connection is made, the ongoing expense in subsequent years will be approximately \$386,244 per year for provider sites who connect to the broadband network or "fiber ring" due to their participation in the Eastern North Carolina FCC Pilot Program.

Upon completion of the pilot program, the UHS Information Systems Division will complete an evaluation of the project. At that time, a decision will be made regarding the further deployment of the new technology to other provider sites in the area and additional enhancements to the network as a whole, such as providing a portal to Internet 2. Some of the providers added at a future date may be for profit. Early in the planning process, it was determined that the scope of the pilot project, the required level of participation and associated financial commitment would prohibit many of the rural for-profit healthcare providers from participating in the pilot phase of this initiative. However we do anticipate their participation in the later phases of this initiative once it has been tested at partner agencies, and the pricing structure is more stable and affordable than it is today. All for-profit providers will be required to commit to cover expenses not covered by secured grant funds as well as their agency specific expenses, just as the participating partner agencies are expected to do during the pilot phase of the initiative.

UHS, the participating healthcare provider agencies and the North Carolina Office of Rural Health and Community Care (NC ORHCC) will cover 15% of the expense associated with deploying this new communication technology in the target area during the grant period. The expense of maintaining the connectivity post grant funding will also be covered by the participating partners through their regular operating budgets, and the acquisition of additional grant funds to cover the expense of improving their technology (i.e. establishing Telemedicine capability) in an effort to fully utilize the broadband network.

Participating Healthcare Providers

The facilities to be included in the pilot phase of the Eastern North Carolina FCC Rural Health Care Pilot Program are provided in Table 1. There are a total of eight rural health centers and eight hospitals partnering with UHS, NC ORHCC and the BSOM to improve access to new medical communication technologies to eastern North Carolina. The lead agencies, UHS, NC ORHCC and the BSOM, have a strong history of collaboration on projects to ensure the availability of healthcare resources in rural eastern North Carolina. The Table of Organization in Appendix D gives a complete diagram of the flow of information between agencies as well as the project's leadership and management structure. The leadership at UHS, NC ORHCC and the

BSOM feel that their past experience, and ability to work collaboratively will enable them to develop a viable plan for the deployment of a broadband network in the target area.

Table 1: Healthcare Providers Participating in the Network

		Zip		
Facility	Address	Code	RUCA	Phone
Rural Health Centers				
Bertie County Rural Health	104 Rhodes Ave.	27983	10	252-794-1835
Association	Windsor, NC			
Columbia Clinic	208 N. Broad St.	27925	10	252-796-0689
	Columbia, NC			
Duplin Medical Association	600 S. Sycamore St.	28458	10	910-289-3027
•	Rose Hill, NC			
Engelhard Medical Center	34575 US Hwy 264	27824	10	252-925-7000
2	Engelhard, NC			
Gates County Medical Center	501 Main St.	27938	10	252-357-1226
•	Gatesville, NC			
Ocracoke Health Center	305 Back Road	27960	10	252-928-1511
	Ocracoke, NC			
OIC Medical Center	111 South Fairview Rd.	27801	1	252-977-3730
	Rocky Mount, NC			
Scotland Neck Family Medical	921 Junior High School Rd.	27874	7	252-826-3143
Center	Scotland Neck, NC		'	
Hospitals		· · · · · · · · · · · · · · · · · · ·		
Beaufort County Hospital	628 E. 12 th Street	27889	4	252-975-4100
	Washington, NC	!		
Duplin General Hospital	401 N. Main St.	28349	10	910-296-0941
	Kenansville, NC			
Nash General Hospital	2460 Curtis Ellis Dr.	27804	1	252-443-8000
•	Rocky Mount, NC			
Onslow Memorial Hospital	317 Western Blvd.	28546	2	910-577-2345
•	Jacksonville, NC			
Pitt County Memorial Hospital	2100 Stantonsburg Rd.	27834	1	252-847-4100
1	Greenville, NC			
Pungo District Hospital	202 E. Water St.	27810	10	252-943-2111
2	Belhaven, NC			
Wayne Memorial Hospital	2700 Wayne Memorial Dr.	27534	1	919-736-1110
	Goldsboro, NC			
Wilson Medical Center	1705 Tarboro St. SW	27893	4	252-399-8040
	Wilson, NC			

Resolution of Challenges

Due to the rural locations of many of the partners, Information Technology (IT) resources are scarce. University Health Systems (UHS) Information Systems (IS) Division will serve in a leadership role, providing in-house and/or securing contract resources to provide the technical expertise needed to plan and implement the proposed project. In view of the limited financial resources available to healthcare providers practicing in rural areas, ensuring the sustainability of the services provided due to connecting the partner agencies to the fiber ring is of great concern.

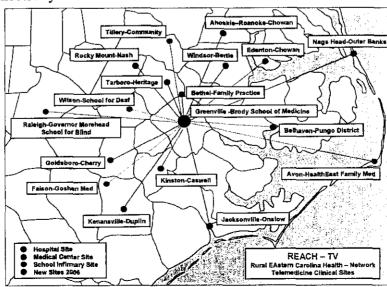
Therefore UHS and its partners believe that the best solution to ensuring long-term sustainability is a three pronged approach: 1) Secure the lowest possible price for the services needed and size them appropriately for the need of the particular partner; 2) Pursue opportunities that not only improve healthcare, but also reduce expenses; and 3) Secure additional funding through other sources to take full advantage of the network (ex. install Electronic Health Records at each participating provider location). Through the grant application process UHS has built a strong relationship with their rural community partners, and has agreed to assume the lead role in this initiative and to work with them to resolve any issues that may arise. The IT staff at UHS is confident in its ability to coordinate and lead the implementation process and provide the required follow-up reporting as well as the technical expertise to make the FCC pilot program successful. In addition, the leadership at UHS has committed to working with partner agencies and the North Carolina Office of Rural Health and Community Care to secure the additional funding required facilitating full utilization of the broadband network.

TECHNICAL SUPPORT CAPACITY AND SUSTAINABILITY

Telemedicine Development and Management Experience

UHS has a long-standing partnership with the Telemedicine Center at the BSOM. The center has been in continuous operation since its inception in 1992, making it one of the longest running clinical telemedicine operations in the world. The program has achieved national recognition through participation in the American Telemedicine Association's leadership (both as board members and Special Interest Group Chairs), receiving telehealth-related grant and contract awards, and publishing peer-reviewedjournal articles. In 1999, the University of North Carolina General Administration awarded the program "Center" status, and Telehealth Magazine also recognized it as one of the "Top 10" telemedicine programs.

Currently, there are 18 sites in the telemedicine network (see map below), which comprises heterogeneous communications links, including the UHS Gigabit Ethernet ring that connects to its five regional hospitals, full and fractional T-1 (1.54 Mbps) and ISDN. Higher bandwidth paths are available via the University's North Carolina Research and Education Network (NC-REN)/Internet 2 connection and North Carolina Information Highway (NCIH) and satellite (receive only) connectivity.



Currently, the Telemedicine Center provides the necessary functions for conducting clinical telemedicine transactions, including scheduling, network operations, troubleshooting, training, and administrative support. The Center develops and maintains standard operating procedures (SOP's) for telehealth, which are used by the telemedicine coordinators at the Center, the Rural Telemedicine Coordinators (RTC's), and physicians. The RTC's act as the primary facilitators for telemedicine and distance learning activities at their site, and are responsible for patient scheduling; operating the equipment during telehealth encounters; training other local clinical staff; obtaining patient consent; and reporting issues and new ideas to the Center. Engineers are on site at the Center during normal business hours for technical support, troubleshooting, and setting up telemedicine calls and bridging for telehealth and distance learning applications.

The Telemedicine Center's interactive telemedicine applications involve a *presenter*, who is the nurse RTC, or other allied health professional at the patient's location that presents the case and the *consultant*, who is the physician or specialist that provides expert advice regarding that patient's condition. Real-time interactivity is beneficial in coaching/mentoring presenters through new or unfamiliar procedures. For example, at some clinical sites, sonographers with only adult echocardiography experience have been "telementored" to conduct pediatric echocardiographic studies. Scheduling is a critical issue for real-time (videoconferencing-based) telemedicine, and the Center has developed a scheduling database in order to coordinate patient, presenter, consultant, room, network, and technical support schedules.

This same strategy will be used as the technology is deployed to the sites participating in the pilot program to ensure a successful telemedicine program. **As** stated previously, the deployment of telemedicine technology will be contingent on the partnership's success in obtaining additional grant funds to purchase the necessary equipment.

Network Self-sustainability

UHS is actively engaged with potential service providers (ex. Embarq) to identify the most cost efficient means of providing a robust, secure, and reliable network, while leveraging the buying power of a large group of healthcare organizations. Additional funding may be needed and UHS is committed to helping its partners identify and pursue other grant funding that will enable them to fully utilize the network. This may include, but is not limited to, the purchase of Electronic Health Record (EHR) software, telemedicine video station carts, voice and video over IP equipment, and server storage for recording of images (ex. CT scans). UHS is also working with the partner sites to identify solutions that not only improve patient care, but also reduce operating cost. For example, attending a telemedicine course can save a days travel and/or overnight stay for many of the rural clinics included in this pilot program. Overlaying Voice over IP (VoIP) and its many enhanced services can significantly reduce operating expenses through improved efficiency and reduction of fees paid to telephone service providers. Electronic Health Record (EHR) provides a significant opportunity to improve efficiency and reduce waste, while improving the patient experience and health outcomes. The sharing of information across healthcare organizations via EHR has tremendous potential benefit for eastern North Carolina. UHS and its partners believe that this initiative is an important step in the process and that the residents of eastern North Carolina will benefit greatly from the deployment of a dedicated, secure, reliable, and robust broadband network focused on the support of healthcare.

Eastern North Carolina FCC Rural Health Care Pilot Program Project Management Matrix

Activity 1: Partner Ic	ntification		
Goal(s)	Objective(s)	Action Steps & Due Dates	Responsible Member(s)
Identify partner iealthcare organizations with the greatest need and lesire to work ogether to create a network that enables everaging of best oractice strategies, Facilitates the sharing of information, knowledge and expertise, while also reducing the cost of providing healthcare.	Identify no less than a combination of 12 large and small healthcare providers with the greatest potential for utilizing and leveraging a broadband network that links them with each other and University Health Systems.	*Agreement with partner agencies and other providers to coordinate efforts to participate in the FCC Rural Health Pilot Program. March 2007 *Work with partner agencies to draft and submit proposal to the FCC. May 2007.	* UHS Chief External Affairs Officer and Chief Information Officer * UHS Information Technology Manager/Administr ator and Administrator UHS Grants Office
Long Term Measures	Short-T Measures * Complete grant	Immediate Measures * Obtain	
	* Submitgrant application for approval	commitments from partners	
Activity 2: System A	essment and Network		
Goal(s)	Objective(s)	Action Steps & Due Dates	Responsible Member(s)
Complete needs issessment and levelop a plan for coordinating proadband network iccess among participating partners.	Use needs assessment data to facilitate the development of the Federal Trade Commission to cover the expense of increasing healthcare provider access to	* Work with partner agencies to identify specific areas of need and technology options. April 2007.	* UHS Information Technology (IT) and Partner Agencies * UHS Information
	broadband network services in eastern North Carolina.	providers to identify the most robust and secure network options, at	Technology (IT)

Appendix A

Long Term Measures	Short-Term Measures	the lowest possible cost. April 2007. Merge the needs of technology options. April 2007. Immediate Measures ' Identify areas of need ' Identify technology options ' Identify lowest cost option	* UHS Information
Activity 3: System D	loyment and Sustainal		
Coal(s)	Objective(s)	Action Steps & Due Dates	Responsible Member(s)
Goal(s) Connect the 10 participating agencies to he broadband "ring" established by the Eastern Carolina Broadband Initiative.	*Develop and nurture ideas from all partner healthcare organizations, to take full advantage of a dedicated broadband network that is more secure, reliable and robust than the broadband technology available to them today.	* Work with partners and service providers to complete detailed design activities in preparation for deployment within 1- month of grant start date.	* UHS Information Technology (IT) and Partner Agencies
	*Assist broadband service providers in the identification of the most robust and secure technology while stretching their networks geographically as well as ensure pricing that's sustainable by partner agencies long-term.	* Place orders for broadband services, securing best possible pricing, within 2-months of grant start date.	* UHS Infomation Technology (IT) and Partner Agencies
	*Migrate partner healthcare organizations from shared public Internet broadband connections to dedicated broadband	* Begin deployment, using Plan, Do, Check, Act methodology to complete ongoingheal-time process evaluations	* UHS Information Technology (IT) and Partner Agencies

Appendix A

	onnections, thus uilding a secure, :liable, and robust etwork that 1 i s participating healthcare providers.	ithin 2-months of ,rantstart date. Complete deployment of 50% of sites and begin formal internal evaluation of effectiveness of program in meeting defined objectives within 4-months of grant start date. Complete deployment and begin internal evaluation of objectives, identifying both successes and lessons learned, within 6-months of grant start date. Complete final report within 12-months of grant start date. Confirm partners are able to sustain services post grant funding.	* UHS Information Technology (IT) and Partner Agencies * UHS Information Technology (IT) and Partner Agencies * UHS Information Technology (IT) and Partner Agencies * UHS Information Technology (IT)
Long Term Measures	Short-Term Measures	Immediate Measures	
* 50% of sites deployed within 4-months * 100% of sites deployed within 6-months * Final report due within 12-months * Confirm partners can sustain service	 Complete detailed design Begin deployment Implement PDCA Increase available bandwidth by 10x 		

Eastern North Carolina FCC Rural Health Care Pilot Program Project Work Plan

				-	113	10	
Task	Address	City	Telephone	Responsible		Target Finish	Resource Required Comment
Establish grant oversight	UHS	Greenville	252-847-4535	S. James	Nov-06	Nov-06	
Establish documentation/procedures	UHS	Greenville	252-847-6815	A. Anderson		May-07	
Design network connectivity (detail)					T		
Network design for host	UHS	Greenville	252-847-5152	B. Willis	Jun-07	Jul-07	
Network design for internet portal	UHS	Greenville	252-847-5152	B. Willis	Jun-07	Jul-07	
Network design for remote sites	UHS	Greenville	252-847-5152	B. Willis		Aug-07	
Order Circuits			1 202 0 3 1 3 2	2		11.05	
Bertie County Rural Health Association	104 Rhodes Avenue	Windsor	252-794-1835	K. Cheston	Iu1-07	Aug-07	
Columbia Clinic	208 North Broad Street	Columbia	252-796-0689	K. Cheston		Sep-07	
Duplin Medical Association	600 S. Sycamore St.	Rose Hill	910-289-3027	K. Cheston	Son 07	Oct-07	
Engelhard Medical Center	34575 US Highway 264	Engelhard	252-925-7000	K. Cheston		Oct-07	
Gates County Medical Center	501 Main Street	Gatesville	252-357-1226	K. Cheston	Jul-07		
Ocracoke Health Center	305 Back Road	Ocracoke	252-928-1511	K. Cheston	Jul-07		
OIC Medical Center	111 South Fairview Road	Rocky Mount	252-977-3730	K. Cheston			
Scotland Neck Family Medical Center	921 Junior High School Road	Scotland Neck	252-826-3143		Sep-07		
Beaufort County Hospital				K. Cheston	Sep-07	Oct-07	
Beautort County Hospital	628 E 12thStreet	Washington	252-975-4100	K. Cheston	Jul-07	Aug-07	
Duplin General Hospital	401 North Main Street	Kenansville	910-296-0941	K. Cheston	Jun-07		
Nash General Hospital	2460 Curtis Ellis Drive	Rocky Mount	252-443-8000	K. Cheston		Sep-07	
Onslow Memorial Hospital	317 Western Blvd	Jacksonville	910-577-2345	K. Cheston		Sep-07	
Pitt County Memorial Hospital	2100 Stantonsburg Rd	Greenville	252-847-4100	K. Cheston	Jun-07	Jul-07	
Pungo District Hospital	202 E. Water St	Belhaven	252-943-2111	K. Cheston	Jun-07		
Wayne Memorial Hospital	2700 Wayne Memorial Drive	Goldsboro	909-736-1110	K. Cheston	Jul-07	Aug-07	
Wilson Medical Center	1705 Tarboro Street SW	Wilson	252-399-8040	K. Cheston	Jul-07	Aug-07	
Install network					<u> </u>	L	
Establish addressing scheme	UHS	Greenville	252-847-5152	B. Willis	Jun-07	Jul-07	
Install network hardware at host	UHS	Greenville	252-847-5152	B. Willis	Jun-07	Jul-07	
Install internet portal at host	UHS	Greenville	252-847-5152	B. Willis	Jun-07	Jul-07	
Install network hardware at sites	UHS	Greenville	252-847-5152	B. Willis			
Bertie County Rural Health Association	104 Rhodes Avenue	Windsor	252-794-1835	B. Willis	Aug-07	Aug-07	
Columbia Clinic	208 North Broad Street	Columbia	252-796-0689	B. Willis		Sep-07	
Duplin Medical Association	600 S. Sycamore St.	Rose Hill	910-289-3027	B. Willis		Oct-07	
Engelhard Medical Center	34575 US Highway 264	Engelhard	252-925-7000	B. Willis		Oct-07	
Gates County Medical Center	501 Main Street	Gatesville	252-357-1226	B. Willis		Aug-07	
Ocracoke Health Center	305 Back Road	Ocracoke	252-928-1511	B. Willis		Aug-07	
OIC Medical Center	111 South Fairview Road	Rocky Mount	252-977-3730	B. Willis		Oct-07	-
Scotland Neck Family Medical Center	921 Junior High School Road	Scotland Neck	252-826-3143	B. Willis		Oct-07	
Beaufort County Hospital	628 E 12thStreet	Washington	252-975-4100	B. Willis		Aug-07	
Duplin General Hospital	401 North Main Street	Kenansville	910-296-0941	B. Willis	Jul-07	Jui-07	
Nash General Hospital	2460 Curtis Ellis Drive	Rocky Mount	252-443-8000	B. Willis	Sep-07	·i	
Onslow Memorial Hospital	317 Western Blvd	Jacksonville	910-577-2345	B. Willis	Sep-07	 -	
Pitt County Memorial Hospital	2100 Stantonsburg Rd	Greenville	252-847-4100	B. Willis	Jul-07	Jul-07	
Pungo District Hospital	202 E. Water St	Belhaven	252-943-2111	B. Willis	Jul-07	Jul-07 Jul-07	
Wayne Memorial Hospital	2700 Wayne Memorial Drive		909-736-1110	B. Willis			
wayne Memorial Prospital		Goldsboro				Aug-07	
Wilson Medical Center	1705 Tarboro Street SW	Wilson	252-399-8040	B. Willis	Aug-07	Aug-07	l - ·
Testing			1250 045 5155		7 1 05	0 0=	;
Network design validation	UHS	Greenville	252-847-5152	B. Willis	Jul-07	Oct-07	

Appendix B

Eastern North Carolina FCC Rural Health Care Pilot Program Project Work Plan

					Target	Target	Resource	
Task	Address	City	Telephone Respo	onsible	Start	Finish	Start Finish Required Comment	Comment
Customer training					-			
Internet access	CHU	Greenville	252-847-6815	A. Anderson	Jul-07	Oct-07		. ** ***
Distance learning access	UHS	Greenville	252-847-6815	A. Anderson	Jul-07	Oct-07	į	- TIL)
Telemedicine access	UHS	Greenville	252-847-6815 A. Anderson Jul-07 Oct-07	A. Anderson	Jul-07	Oct-07		
Turnover to support						 		
Ongoing monitoring and customer support	SHU	Greenville	252-847-5152 B. V	B. Willis	Jul-07 Oct-07	Oct-07		

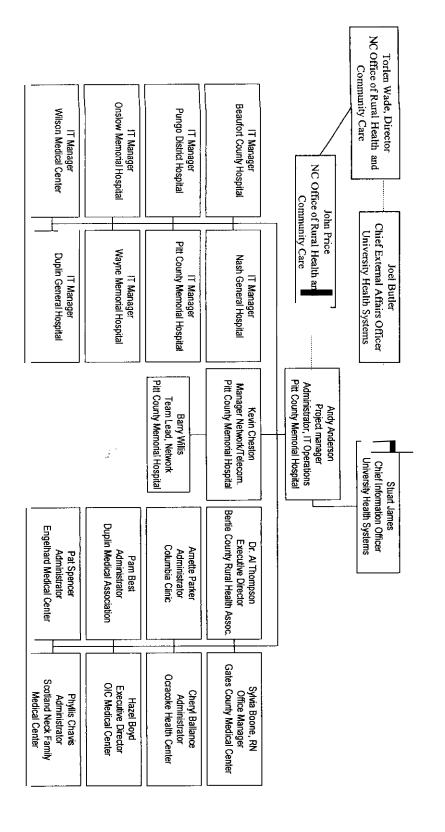
Eastern North Carolina FCC Rural Health Care Pilot 12 Month Budget

PROJECT EXPENSES	A	Grant Amount		In-Kind	Pro	oject Total
Personnel Salaries						
Project Director (80 hours)	\$	J	\$	5,658	\$	5,658
Subtotal Salaries	\$	•	\$	5,658	\$	5,658
Fringe Benefits						
FICA = 7.65%	\$	-	\$	433	\$	433
Health Insurance = 8.4%	\$	-	\$	475	\$	475
Retirement = 8.95%	\$	-	\$	506	\$	506
Subtotal Fringe	\$	-	\$	1,415	\$	1,415
TOTAL PERSONNEL & FRINGE	\$		\$	7,073	\$	7,073
Supplies						
Office & Printing Supplies (education material printing and						
other misc, supplies exp.)	\$	_	\$	2,000	\$	2,000
TOTAL: SUPPLIES	\$	-	\$	2,000	\$	2,000
T1			l		l	_
Travel	1					<u> </u>
IT StaffTravel (travel to participating provider sites est. 1799 miles @ \$.456/mile)	\$	697	\$	123	\$	820
TOTAL: TRAVEL	\$	697	\$	123	\$	820
TOTAL. TRAVEL	 	097	Г	123	Ψ	820
Equipment:						
Network Equipment (8 hospitals and 8 Rural Health Centers						
(RHC))	\$	150,328	\$	26,529	\$	176,857
'TOTAL: EQUIPMENT	\$	150,328	\$	26,529	\$	176,857
Contractual						
Communication Service Provider Fees (initial connectivity	i					
and monthly access fees for RHCs and Hospitals)	\$	286,175	\$	50,501	\$	336,676
DIIC Naturally Decima (20 has @ \$115/has for 9 sites)	\$	20,600	\$	5,400	\$	26,000
RHC Network Design (20 hrs. @ \$225/ hr. for 8 sites)	φ	30,600	Φ	3,400	J.	36,000
RHC Network Deployment (20 hrs. @ \$150/ hr for 8 sites.)	\$	20,400	\$	3,600	\$	24,000
KHC Annual Network Support Cost (\$30/hr @						
2hrs./week/site)	\$	21,216	\$	3,744	\$	24,960
Hospital Network Design (40 hrs. @ \$225/ hr. for 8 tes)	s	51,200	\$	10,800	\$	000
Hospital Network Deployment (40 hrs. @ \$150/ h r 8						****
sites)	\$	40,800	\$	7,200	\$	48,000
Hospital Annual Network Support Cost (\$30/hr @ 2						
hrs./week/site)	\$	21,216	\$	3,744	\$	24,960
	\$	-	\$	-	\$	
TOTAL: CONTRACTUAL	\$	481,607	\$	84,989	\$	566,596
Other						
	\$		\$		\$	
TOTAL OTHER						
TOTAL: OTHER	\$	-	\$	-	\$	

Tab: 2005-06 Budget
File: H:\UHS GRANTS\FCC\FINAL - 12 Month Budget v1.xls

Appendix D

Eastern North Carolina FCC Rural Health Care Pilot Program Table of Organization



APPENDIX E: LETTERS OF SUPPORT



North Carolina Department of Health and Human Services Office of Rural Health and Community Care

2009 Mail Service Center • Raleigh, North Carolina 27699-2009 Tel: 919-733-2040. Fax:919-733.8300

Michael F. Easley, Governor Carmen Hooker Odom, Secretary Torlen L. Wade, Director

April 30,2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information and services that will be facilitated by a secure broadband connection has the potential to substantially improve the way the rural health centers located in eastern North Carolina take care of their patients. Our ability to assist them in taking advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in this area is a significant step toward true regional connectivity. This initiative has the potential to positively impact the quality of healthcare the providers are able to offer as well as the physical well being of the people they serve. The provision information over a secure, reliable broadband network will significantly enhance the ability of the rural health centers participating in this initiative to provide healthcare services that are not restricted by the location of the patient or provider and to continue to enhance their skill thus providing the best available care to their patients. In addition it will enable them to begin to investigate other opportunities for them to take advantage of other state of the art technologies such as electronic medical records (EHR), telehealth and telemedicine as additional funding becomes available.

In an effort to ensure that barriers created by the limited financial resources of the rural health centers, the North Carolina Office of Rural Health and Community Care (ORHCC) will provide \$39,677 to assist in covering the recurring expenses for the first twelve months of operation. In addition ORHCC is committed to working with the leadership at the hospitals and rural health centers to identify and pursue funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among the rural health centers and others providing healthcare in rural eastern North Carolina.

Sincerely.

Torlen Wade

Bertie County Rural Health Association, Inc.

Windsor Office

April 30,2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this lette of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), telehealth and telemedicine as a ddiial funding becomes available. We, the leadership telehealth and telemedicine as a ddiial funding with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering wr facility specific expenses associated with being connected to the new broadband during and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Caro lina.

Yours For A Better Society,

Executive Director

Al-Thompson, Ph.D.

Post Office Box 628, Windsor, North Carolina 27983 Phone: (252)794-1835 • Fax: (252)794-2911

Ocracoke Health Center P.O. Box 543 Ocracoke, NC 27960

May 1, 2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It Will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), teleheaith and telemedicine as additional funding becomes available. We, the leadership at the Ocracoke Health Center, are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadbandduring and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Sincerely.

Cheryl L. Ballance

Cheryl Y. Ballanca

Administrator

Scotland Neck Family Medical Center, Inc 919 Jr. High School Road, P.O. Box 540 Scotland Neck, NC 27874

Telephone: 252-826-3143 Fax: 252-826-3110

Nitin Budhwar, MD Joseph R. Warren, Jr. PA-C Martha Jones, Pharm-D Phyllis D. Chavis, Administrator

May 2,2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), telehealth and telemedicine as additional funding becomes available. We, the leadership at Scotland Neck Family Medical Center, are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadband during and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Sincerely,

 $\mathbf{d}_{\mathbf{f}}$

Phyllis D. Chavis Executive Director

(Man)



Beaufort County Hospital

628 East 12th Street Washington, North Carolina 27889

April 27, 2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased **to** provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity.

It is **my** belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare **services** that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), telehealth and telemedicine as additional funding becomes available. We, the leadership at Beaufort County Hospital, are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above-mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadband during and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Sincerely,

Bill Bedsole

Chief Executive Officer

BRB/hs



April 20,2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), telehealth and telemedicine as additional funding becomes available. We, the leadership at Duplin General Hospital, Inc., are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadband during and after the grant period.

I lock forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Sincerely,

W. Harvey Case

W. Ay Care

President

401 N. Main Street

Nash Health Care Systems

2460 Curtis Ellis Dr., Rocky Mount, NC 27804 • 252 443-8070 ° Fax 252 443-8877 Richard K. Toomey, DHA, President ° rktoomey@nkcs.org

April 27, 2007

Joel Butler Chief External Affairs Officer PO Box 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), telehealth and telemedicine as additional funding becomes available.

We, the leadership at Nash Health Care Systems, are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadband during and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

With regards,

Richard K. Toomey, DHA, FACH

President/CEO



Onslow Memorial Hospital

Where People Care

317 WesternBoulevard Jacksonville, North Carolina 28546 **910-577-2345** **P.O.**Box 1358 Jacksonville, North Carolina 28541

April 27,2007

Mr. Joel Butler Chief External Affairs Officer Pitt County Memorial Hospital P.O. Box 6028 Greenville, NC 27835-6028

Dear Mr. Butler:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is a significant step in ow journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR), telehealth and telemedicine as additional funding becomes available. **We**, the leadership at Onslow Memorial Hospital are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associaied with being connected to the new broadband during and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Ed Piper, Ph.D.

Sincerel

President and Chief Executive Officer

EP:skt



202 East Water Street Belhaven, NC 27810 (252) 943-2111

Fax: (252) 944-2236

April 20,2007

Joel Butler Chief External Affairs Officer PO **Box** 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health Systems, Inc. (UHS) Proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve, the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information technology and collaboration among providers in eastern North Carolina is significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare us to take advantage of other state of the art technologies such as electronic medical records (EMR); telehealth and telemedicine as additional funding become available. We, the leadership at Pungo District Hospital are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadband during and after the grant period.

I look forward to working with the University Health Systems and Pitt County Memorial Hospital **as** they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Sincerely,

Ken Ragland

CEO



April 27,2007

Joel Butler Chief External Affairs Officer P.O. **Box** 6028 Greenville, NC 27835-6028

Dear Joel:

I am pleased to provide this letter of support for the University Health System, Inc. (UHS) proposal to participate in the Federal Communication Commission's Rural Health Care Pilot Program.

The access to healthcare information that will be facilitated by a secure broadband connection has the potential to substantially improve the way we provide healthcare in our community and in the region. Our ability to take advantage of this opportunity to lay the groundwork for improved health information'technology and collaboration among providers in eastern North Carolina is a significant step in our journey toward true regional connectivity. It is my belief that secure, reliable broadband connectivity will significantly enhance our ability to provide healthcare services that are not restricted by the location of the patient or provider. It will prepare **us** to take advantage of other state of the **art** technologies such as electronic medical records (EMR), telehealth and telemedicine **as** additional funding becomes available. We, the leadership at Wayne Memorial Hospital, are committed to working with you to identify additional funding opportunities to support the installation of the equipment and software required to take advantage of the above mentioned healthcare technologies. In addition, we are committed to covering our facility specific expenses associated with being connected to the new broadband during and after the grant period.

I look forward to working with University Health Systems and Pitt County Memorial Hospital as they lead the movement toward an improved communication among providers practicing in eastern North Carolina.

Sincerely,

J. William Paugh President & CEO

APPENDIX F:	NOTICE	OF TAX	EXEMPTION	ON

DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE WASHINGTON, D.C. 20224

Date:

AUG 18 2000

University Health Systems of Eastern Carolina, Inc. c/o Nancy Barnhill Aycock 2100 Stantonsburg Road P.O. Box 6028 Greenville, NC 27835-6028

Employer Identification Number:

56-2141073

Issuing Specialist:

Lawrence M. Brauer

ID Number:

50-00766

Toll Free Customer Service Number:

(877) 829-5500

Accounting Period Ending:

September 30

Foundation Status Classification:

509(a)(3)

Form 990 Required:

Yes

Dear Applicant

Based on the information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not **a** private foundation within the meaning of section 509(a) of the Code, because you are an organization described in the section(s) above.

Please notify the Ohio Tax Exempt and Government Entities (TUGE) Customer Service office if there is any change in your name, address, **sources** of support, purposes or method of operation. If you amend your organizational document or bylaws, please send a copy of the amendment to the Ohio TE/GE Customer Service office. The mailing address for that office is: Internal Revenue Service, TUGE Customer Service, P.O. Box 2508, Cincinnati, **OH** 45201.

You are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act

If you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958 of the Code. In this letter we are not determining whether any of your present or proposed arrangements would be considered an excess benefit transaction resulting in tax under section 4958. Additionally, you are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your **use** are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Donors (including private foundations) may rely on this ruling unless the Internal Revenue Service publishes notice to the contrary. However, i you lose your 509(a) status as indicated above, donors (other than private foundations) may not rely on the classification indicated above if they were in part responsible for, or were aware of, the act that resulted in your **loss** of such **status**, or they acquired knowledge that the Internal Revenue Service had given notice that you would be removed from that classification. Private foundations may rely on the classification as long as you were not directly or

indirectly controlled by them or by disqualified persons with respect to them. However, private foundations may not rely on the classification indicated above if they acquired knowledge that the internal Revenue Service had given notice that you would be removed from that classification.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts. with no consideration received. Ticket purchases and similar payments in conjunction with fund-raising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. if your organization conducts fund-raising events such as benefit dinners, shows, membership drives, etc. where something of value is received in return for payments, you are required to provide a written disclosure statement informing the donor of the fair market value of the specific items or services being provided. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that the donor can determine how much is deductible and how much is not. Your disclosure statement should be made, at the latest, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fund-raising circumstance where each complete payment, including the contribution portion, exceeds \$75.. In addition, donors must have written substantiation from the charity for any charitable contribution of \$250 or more. For further details regarding these substantiation and disclosure requirements, see the enclosed copy of Publication 1771. For additional guidance in this area, see Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events, which is available at many IRS offices or by calling 1-800-TAX-FORM (1-800-829-3676).

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If "Yes" is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. if your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a returnuntil your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it. Form 990 should be filed with the Ogden Service Center, Ogden, UT 842014027.

You are required to make your Form 990 available for public inspection for three years after the later of the due date of the return or the date the return is filed. **You** are also required to make available for public inspection your exemption application, any supporting documents, and this exemption letter. Copies of **these** documents must be provided to any individual upon written or in person **request** without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements, Additional information is available in Publication 557, Tax-Exempt Status *for* Your Organization, or you may call our toil **free** number shown above.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated businessincome under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form990-T, Exempt OrganizationBusiness Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

University Health Systems of Eastern Carolina, Inc.

Please **use** the employer identification number indicated in the heading of this letter on all returns you file and in all correspondence with the Internal Revenue Service. **Because** this letter could help resolve any questions about your exempt status, you should keep it in your permanent records. If you have any questions about this letter, or about filing requirements, excise, employment, or other federal taxes, please contact the Ohio TE/GE Customer Service office at **877-829-5500** (a toll **free** number) or correspond with that office using the address indicated above.

In accordance with the Power of Attorney currently on file with the Internal Revenue Service, **we** are sending a copy of this letter to your authorized representative.

Sincerely,

Marvin Friedlander

Manager, Exempt Organizations

Technical Group 1

Enclosure: Pub. 1771

Charitable Contributions -Substantiation and Disclosure Requirements

UNDER THE NEW LAW, CHARITIES WILL NEED TO PRO-VIDE NEW KINDS OF INFORMATION TO DONORS. Failure to do so may result in denial of deductions to donors and the imposition of penalties' on charities.

Legislation signed into law by the President on 1gt 10, 1993, contains a number of significant provisions affecting tax-exempt charitable organizations described in section 501(c)(3) of the Internal Revenue Code. These provisions include: (1) new substantiation requirements for 1 and (2) ew p 1s 1s e ner 16 1 tie will potential soft for failing t comply). Additionally, charities should note that donors could be penalized by loss of the deduction if they fail to ______iate. THE SUBSTANTIATION AND DISCLOSURE PROVISIONS APPLY TO CONTRIBUTIONSMADE AFTER DECEMBER 31,1993.

Charities need to familiarize themselves with these tax law az g in 1 to bing the sh it upli. This Publi ticalle t y to the new provisions affecting tax-exempt charitable organizations. Set forth below are brief descriptions of the new law's key isions. The Internal Revenue Service plans to provide further guidance in the near future.

Donor's Substantiation Requirements

Documenting Certain Charitable Contributions. —Beginning January 1, 1994, no deduction will be allowed under section 170 of the Internal Revenue Code for any charitable mnmbution of \$250 or more unless the donor has contemporaneous written substantiation from the charity. In cases where the charity has provided goods or services to the donor in exchange for making the contribution, this contemporaneous written ack led; t tinclude a good faith estimate of the value of such goods M services. Thus, taxpayers may no longer rely, solely on a cancelled check to substantiate a cash contribution of \$250 or more.

The substantiation must be "contemporaneous." That is, it must be obtained by the donor no later than the date the donor actually tiles a return for the tax year in which the contribution was made. If the return is filed after the dne dale M extended due date, then the substantiation must have been obtained by the due date or extended due date.

The responsibility for obtaining this substantiation lies with the donor, who must request it from the charity. The charity is not required to record or report this infomation to the IRS on behalf of donors.

The legislation provides that substantiation will not be required if, in accordance with regulations prescribed by the Secretary, the charity reports directly to the IRS the information required to be pmvided in the written substantiation. At present, there are no regulations establishing procedures for direct reporting by charities to the IRS of charitable contributions made in 1994. Consequently, charities and donors should be prepared to provide/obtain the described substantiation for 1994 contributions of \$250 M more.

There is no prescribed format for the written acknowledeement. For example, letters, postcards or computer-generated forms-may be acceptable. The acknowledeement does not have to include the donor's social security or tax identification number. It must, however, provide sufficient information to substantiate the amount of the deductible contribution. The acknowledgement should note the amount of any cash contribution. However, if the donation is in the form of property, then the acknowledgement must describe, but need not value, such property. Valuation of the donated property is the responsibility of the donor.

The written **substantiation should** also note whether the donee organization provided any goods or services in consideration, in whole or in part, for the contribution and, if so, must provide a description and good-faith estimate of the value of the goods or services. In the new law these are referred to **as** "quid pro quo conuibutious."

Please note that there **is** a new **law** requiring charities **to** furnish disclosure statements to donors **for such quid** pro quo donations **in excess of \$75. This is** addressed in the **next** section regarding Disclosure By Charity.

If the goods or services consist entirely of intangible religious benefits the statement should indicate this, but the statement need not describe or provide an estimate of the value of these benefits. "Intangible religious benefits" are also discussed in the following section on Disclosure By Charity. If, on the other band, the donor received nothing in ream for the contribution, the written substantiationmust so state.

The present law remains in effect that g = rill if u = l of an i or group of like items exceeds \$5,000, the donor i to i a i d appraisal and submit an appraisal summary with the return claiming the deduction.

The organization may either provide separate statements for each contribution of \$250 or more from a taxpayer. or furnish periodic **statements** substantiating contributions of \$250 or more.

Separate payments are regarded as independent contributions and are not aggregated for purposes of measuring the \$250 threshold. However, the Service is authorized to establish anti-abuserules to prevent avoidance of the substantiation requirement by taxpayers writing separate smaller checks on the same date.

If donations are made through payroll deductions, the deduction from each paycheck is regarded as a separate payment.

A charity that knowingly provides false written substantiation to a donor may be subject to the penalties for aiding and abetting an understatement of tax liability under section 6701 of the Code.

Disclosure by Charity of Receipt of Quid Pro Quo Contribution

Beginning January 1.1994, under new section 6115 of the Internal Revenue Code, a charitable organization must provide a written disclosure statement to donors who make a payment, described as a "quid r quo

ibution." in excess of \$75. This requirement is separate from the written substantiation required for deductibility purposes as discussed above. While, in certain circumstances, an organization may be able to meet both requirements with the same written document. an organization must be careful to satisfy the section 6115 written disclosure statement requirement in a timely manner because of the penalties involved.

A quid pro quo contribution is a payment made partly as a contribution and partly for goods or services provided to the donor by the charity. An example of a quid pro quo contribution is where the donor gives a charity \$100 in consideration for a concert ticket valued at \$40. In this example, \$60 would be deductible. Because the donor's payment (quid pro quo contribution) exceeds \$75, the disclosure statement must be furish d, even the above the donor's payment that the description of the contribution of the description of the description of the description of the contribution of the description of the description

Separate payments of \$75 or less made at different times of the year for separate fundraising events will not be aggregated for purposes of the \$75 threshold. However, the Service is authorized to develop anti-abuse rules to prevent avoidance of this disclosure requirement in situations such as the writing of multiple checks for the anti-

The required written disclosure statement must:

(1) inform the donor that the amount of the contribution that is de-

ductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the value of goods or services provided by the charity, and

(2) provide the donor with a good-faith estimate of the value of the goods or services that the donor received.

The charity must furnish the statement in connection with either the solicitation or the receipt of the quid pro quo contribution. If the disclosure statement is furnished in connection with a particular solicitation, it is not necessary for the organization to provide another statement when the associated conhibution is actually received.

The disclosure must be in writing and must be made in amannerthatis reasonably likely to come to the attention of the donor. For example, a disclosure, in small print within a larger document might not meet this requirement.

In the following three circumstances, the disclosure statement is not required.

- (1) Where the only goods or services given to a donor meet the standards for "insubstantial value" set out in section 3.01, paragraph 2 of Rev. Proc. 90-12, 1990-1 C.B. 471, as amplified by section 2.01 of Rev. Roc. 92-49, 1992-1 C.B. 987 (or any updates or revisions thereof);
- (2) Where there is no donative element involved in a particular transaction with a charity, such as in a typical museum gift shop sale.
- (3) Where there is only an intangible religious benefit provided to the donor. The intangible religious benefit must be provided to

the donor by an organization organized exclusively for religions purposes. and must be of a type that generally is not sold in a commercial transaction outside the donative context An example of an intangible religious benefit would be admission to a religions ceremony. The exception also generally applies to de minimis tangible benefits, such as wine. provided in connection with a religious ceremony. The intangible religious benefit exception, however, does not apply to such items as payments for tuition for education leading to a recognized degree, or for travel services. or consumer goods.

A penalty is imposed on charities that do not meet the disclosurerequirements. For failure to **make** the required disclosure in connection with a quid pro **quo** contribution **of** more than \$75, there is a penalty of \$10 per contribution, not to exceed \$5,000 per fundraising event **or** mailing. The charity may avoid the penalty if it can show that the failure was due W reasonable cause.

Please note that the prevailing basic rule allowing donor deductions only to the extent that the payment exceeds the fair market value of the goods or services received in return still applies generally to all quid pro quo contributions. The \$75 threshold pertains only to the obligation to disclose and the Imposition of the \$10 per contribution penalty, not the rule on deductibility of the payment.



internal Revenue Service 1111 Constitution **Avenue**, NW Washington, D.C. **20224**

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